



First Children's Finance

RURAL CHILD CARE INNOVATION PROGRAM

COMMUNITY SOLUTION ACTION PLAN FOR CHILD CARE

RED LAKE COUNTY, MINNESOTA

FEBRUARY 2024

The Rural Child Care Innovation Program is possible due to generous funding from the Minnesota Department of Human Services.





This Community Solution Action Plan is designed to be a deep dive into the Rural Child Care Innovation Program.

You will step through every stage of the community engagement process from solution development to implementation.

Please visit
www.ruralchildcare.org
for continued updates on
community progress.

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"If employees can't find quality care for their children, they won't work for you. They won't move to your community, or they'll be forced to move away, or they might have to consider quitting their job to stay home with their children because
they have no other option."

Kris Bevell

Editor
Prairie Business Magazine

EXECUTIVE SUMMARY

The Rural Child Care Innovation Program (RCCIP) is a community engagement process designed to develop right-sized solutions to address the needs of early care and education in Minnesota's rural communities. The goal of RCCIP is to help communities identify the scope and size of their child care challenges, and to empower and support communities to develop solutions to address these challenges.

The Community Solution Action Plan for Red Lake County intends to outline the childcare challenges identified in the community, and the proposed solutions to improve the state of child care in the area. A Core Team from Red Lake County, with the support of First Children's Finance, conducted a thorough investigation and analysis to uncover the factors creating the childcare shortage in the area through focus groups, individual interviews, and surveys with a multitude of stakeholders.

To understand the potential need of child care in Red Lake County, First Children's Finance conducted a Supply and Demand Gap Analysis and community survey, which showed a childcare shortage of approximately 119 slots. The analysis revealed that it's very difficult to be a childcare provider due to numerous rules and regulations, low pay and no benefits, long hours, and high operating costs. Staffing is a significant expense for many childcare programs, resulting in 60-80% of overall expenses. This heavily influences the ability of childcare providers to sustain their child care operations.

The analysis revealed that the childcare shortage has severely impacted parents living in Red Lake County. 34% of parent survey respondents declined employment or withdrew from the workforce due to child care issues and 83% of employers responded that child care impacted their ability to attract employees and 75% of employers responded that child care impacted their ability to retain employees. Absence from work (when a provider is closed for the day), inability to work a flexible schedule, inability to work different shifts, and tardiness to work hinders the ability of parents to advance in their careers and the ability of employers to meet their business needs.

Some of the major factors contributing to the childcare shortage in Red Lake County include an increase in dual-working families, attraction of new employees to the area, affordability of child care, difficulties of being a child care provider, and lack of community recognition for child care providers.

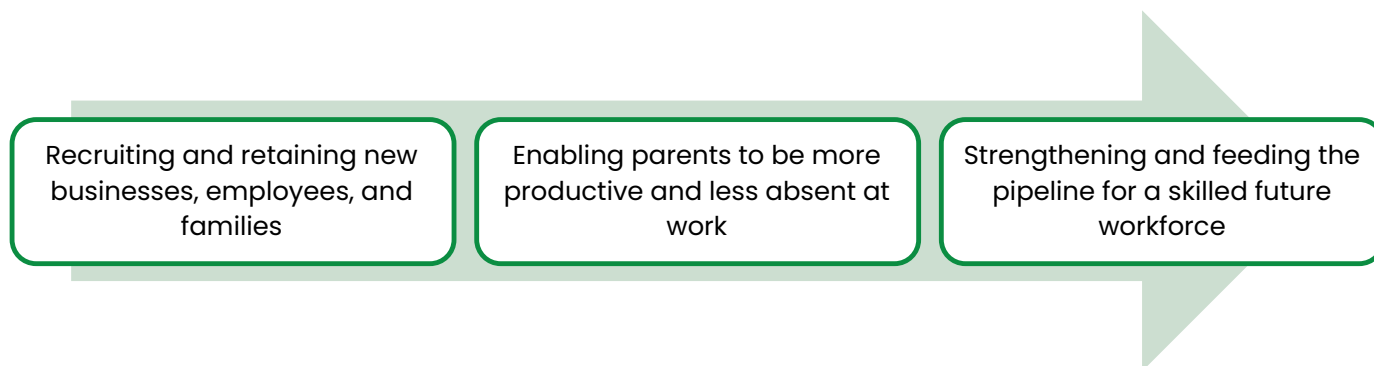
Through the RCCIP, Red Lake County has identified six goals to address childcare challenges. These goals include:

1. On an annual basis provide at least one recognition event to support/celebrate childcare providers.
2. Within 18 months, create collaborations and structured support to prepare new and/or substitute providers for Early Education.
3. Within one year create a sustainable Grow RLC Childcare group.
4. Within 12 months establish a local financial fund and identify in-kind resources to support childcare.
5. Within 18 months, identify additional and adequate facilities to be used for non-residential childcare.
6. Provide monthly opportunities within the community to educate and create awareness of the childcare need and the work of this group.

In implementing these goals, Red Lake County will improve the state of child care, empower local child care providers through continuous community support, provide parents with more care options, and give providers stronger resources to run and operate their child care business. In the next 12 months, First Children's Finance will support the core team in implementing these goals and measuring outcomes of their efforts.

THE IMPORTANCE OF HIGH QUALITY CHILD CARE IN COMMUNITIES

In rural communities, ebbs and flows of the local economy greatly influence the sustainability of a community's child care supply, and vice versa. Because of this, the Rural Child Care Innovation Program addresses child care and early education challenges through a framework of regional economic development. A robust supply of high quality child care fosters community growth through:



The connection is clear: when our children thrive, so do our communities. Investing in early care and education is not only the right thing to do for our youngest citizens, but the best thing to do for our economic growth and prosperity.

INTRODUCING THE RURAL CHILD CARE INNOVATIVE PROGRAM

Child care is an economic driver for rural communities across the United States, and many communities are facing shortages of high quality child care. The Rural Child Care Innovation Program (RCCIP) is based on the fundamental idea that rural communities are greater than their size in numbers and greater than their current challenges. By mobilizing and empowering rural communities, the landscape of early care and education is changing in rural America.

PROGRAM FOCUS

Children living in rural areas are more likely to come from low-income households than children in urban areas and are more likely to be living in poverty for longer periods of time. Many rural areas struggle to attract and retain a young, educated workforce, while others lack the resources to keep up with their own growth and success. Although rural communities face many challenges, they are also resilient. They have the innovation it takes to develop nimble, creative solutions that will be effective in their communities. The Rural Child Care Innovation Program leverages communities' independent, can-do attitudes to address early care and education in Greater Minnesota.

PROGRAM ACTIVITIES & GENERAL TIMELINE

PLANNING PHASE		
ACTIVITIES	TIMING	DETAILS
Core Team Lead Orientation	March 15, 2023	Zoom meeting with Core Team Leader to set expectations
Core Team Onboarding (6 Hours)	June 12, 2023	A face-to-face meeting to discuss the RCCIP details and expectations.
Core Team Planning Meeting (4 Hours)	July 31, 2023	During the face-to-face or virtual meeting, the community engagement activities will be mapped out and a timeline for the process will be developed
Data Gathering & Community Engagement Activities	August - October 2023	The Core Team engages the community in data collection and informs them about their work
Child Care Provider Appreciation Event	September 27, 2023	A face-to-face dinner or virtual event is organized to recognize and appreciate the community's providers
Planning Meetings for Town Hall	October, 2023	Virtual Core Team meeting to plan for the Town Hall event
Town Hall Event	October 25, 2023	A face-to-face community wide event held to learn about data collected and identify and develop projects
Child Care Provider Recruitment	On-going	Recruit providers to participate in business trainings, business leadership cohorts, and one-on-one consultations conducted by FCF
IMPLEMENTATION PHASE		
ACTIVITIES	TIMING	DETAILS
Goal Setting and Implementation Meeting (4 Hours)	November 1, 2023	Face-to-face meeting to prioritize goals, develop SMART goals, and map out implementation activities
SMART Goal Finalization Meetings	December 2023 – January 2024	Two meetings to develop action steps, and identify local project leaders
Community Solution Action Plan (CSAP) Development	January, 2024	FCF creates a report detailing community data, types of solutions, and community-identified projects
Planning meeting for Community Launch and Action Step updates	February – March 2024	Face-to-face or a virtual meeting to share the CSAP, plan the CSAP Community Launch, and share updates on action steps
Community Launch of CSAP	April – May 2024	Press release and/or community activities to share the CSAP
Regular Core Team Meetings	January – December 2024	Updates discussed from project teams to the core team; frequency determined by the core team; facilitated by the Core Team Lead
Biannual Reporting	July 2024– January 2025	Core team lead provides written biannual update to FCF
Regular Project Team Meetings	January – December 2024	Project teams meet to implement community solutions; facilitated by project team lead
Technical Assistance & on-going Support	January – December 2024	FCF provides technical assistance when needed
Final Report	January 2025	Core Team leader submits final written report to FCF
Celebration with the Core Team	January 2025	Core team celebrates its success
Learning Communities	Various Times as determined by FCF	Opportunities to learn from and network with other RCCIP communities who are either in the implementation phase or who have completed the RCCIP process.



EXPECTED OUTCOMES AND IMPACT

The Rural Child Care Innovation Program is designed to support fundamental change in the overall conditions for child care in the areas that it is delivered. This is accomplished through various methods that include:

- A thorough analysis of the current child care supply and demand, and evaluation of community factors impacting the local child care supply.
- Events that educate community members about the link between quality child care, rural economic development and viable communities.
- A Community Solution Action Plan that includes innovative solutions generated through a facilitated Town Hall process.
- Support and business improvement services to existing family child care providers and child care centers.
- Access to First Children's Finance's expertise, resources, and tools, including research and financial modeling.
- Links to other communities working on similar issues.

Measurements of success are determined through a tactical project management grid that provides guidance to the Core Team about the involved participants and their projected steps and progress towards project completion.

ABOUT RED LAKE COUNTY



Red Lake County is a rural community located in Northwest Minnesota. The county's population is approximately 3,935 (2020 U.S. Census). Red Lake County's economy is primarily driven by manufacturing, agriculture and retail trade, which support a wide variety of jobs.

The Red Lake County Area childcare needs assessment, conducted in June, 2023, by First Children's Finance (FCF), shows that the county's current capacity for child care meets only 49% of the need. The lack of child care has negatively impacted the workforce as families often go to other communities to meet their child care needs.

LOCAL CORE TEAM REPRESENTATION

The Core Team was identified locally and asked to commit to investigating the child care challenges in Red Lake County. The Core Team has and will continue to support development of solutions to sustain a high quality and sustainable child care infrastructure in the Red Lake County Area.

- Kate Holmstrom- Plummer resident, Core Team Lead
- Todd Glass- Small World Early Learning Center, Red Lake Falls
- Nikki Toft- Plummer resident/ Hefty Seed Co
- Sylvia Majeres- Plummer resident / RLCC School Board
- Kent Bergerson- Stepping Stones Childcare, Oklee
- Patti Bergerson- Stepping Stones Childcare, Oklee
- Kathie Johannek- Licensing Social Worker – Red Lake County
- D’Anne Johnson- Inter-County Community Council, Oklee
- Andy Fougner- Red Lake County Central School District
- Matt Eskeli- Eskeli Electric
- Cayla Blackburn- Plummer Resident/ Pribyl Hay & Straw
- Chris Bjerklie- Red Lake Falls School District
- Gabe Mooney- Central Boiler/ Altoz
- Ann Holub- Child Care Aware/ Tri Valley Opportunity Council
- Debbie DuChamp- Plummer resident
- Nicole Vettleson- Oklee Resident/ DigiKey
- Katie Gunderson- Northwest Minnesota Foundation

CHILD CARE DATA AND EARLY EDUCATION TRENDS

As part of the Rural Child Care Innovation Program, the local community was provided with various forms of data to understand the contributing factors to the child care challenges. First Children’s Finance leveraged different data sources to pull together an illustrative picture of the impact of childcare in the local area. These data sources include US Census Information, MN Childcare Licensing Records, Minnesota Department of Education, MN DEED, School District Census information and other internal research tools including First Children’s Finance data.

POTENTIAL NEED OVERVIEW

First Children’s Finance conducted a childcare supply demand gap analysis which provided a view of potential childcare needs. When analyzing the data for Red Lake County we looked at the data for the Red Lake County zip codes of 56715, 56742, 56748 and 56750 and the School District boundaries of Red Lake County Central and Red Lake Falls, which gives us a better picture of the need. The supply demand gap analysis dated June 2023, shows a zip code shortage of 119 slots for children birth to five with all available parents in the workforce. Narrowing that down even further, the data shows that roughly 23% of the slots needed are for infants and toddlers. The core team chose to focus their effort on the zip code boundaries as they move forward with creating solutions to the childcare shortage. Below is a summary of the information provided in the supply demand gap Analysis for Red Lake County.

Red Lake County

Child Care Need Analysis



Red Lake County
Population 3,993

CITIES

56715 - Brooks
56742 - Oklee

56748 - Plummer
56750 - Red Lake Falls



101 Red Lake County

119 Zip Codes

Birth to 5 spots needed
FCF Calculation

10

Licensed family
child care

1

Licensed child
care centers

23%



Infant & Toddler Need
FCF Calculation

114

Current child care capacity
FCF Calculation



\$542

per month/preschool

Cost of family child care

County level data from 2021 DHS Market Rate
Study 50th percentile price cluster 1



215

Children under 5
with all parents working

Estimate based on the 2017-2021 ACS

\$642

per month/preschool



Cost of center child care

Neighboring County level data from 2021 DHS
Market Rate Study 50th percentile price cluster 1

89%

Children under
5 with all
parents in the workforce

Estimate based on the 2017-2021 ACS



First Children's Finance

June, 2023

In surveying family child care providers, we learned 33% of providers plan on staying in business less than 3 years, while 22% plan on staying in business for 3-5 years. Furthermore, the survey indicated 22% of providers plan on being in business 6-9 more years, while the final 22% said they plan to stay in business for more than 10 years. It is important for Red Lake County to consider ways to retain the current family child care providers as well as building more slots within the community.



FAMILY CHILD CARE – BY THE NUMBERS

First Children’s Finance evaluated the current supply of family child care to identify trends that needed further examination.

- The average length of service is 8.83 years which is less than the state average length of service of 14.12 years.
- At 10% the number of providers with more than 20 years of service is less than the state average. Red Lake County should still prepare for the retirement of family childcare providers in the near future.
- Providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turnover rates.

	LOCAL	STATE
TOTAL FAMILY CHILD CARE PROVIDERS	10	6177
AVERAGE LENGTH OF SERVICE	8.83 years	14.12 years
LESS THAN 5 YEARS / SERVICE	4 / 40%	1642 / 26.58%
MORE THAN 20 YEARS / SERVICE	1 / 10%	2,276 / 32.75%
NON-OWNER OCCUPIED	1 / 10%	243 / 3.93%
NON-RESIDENTIAL DWELLING	0 / 0.0%	52 / 0.84%

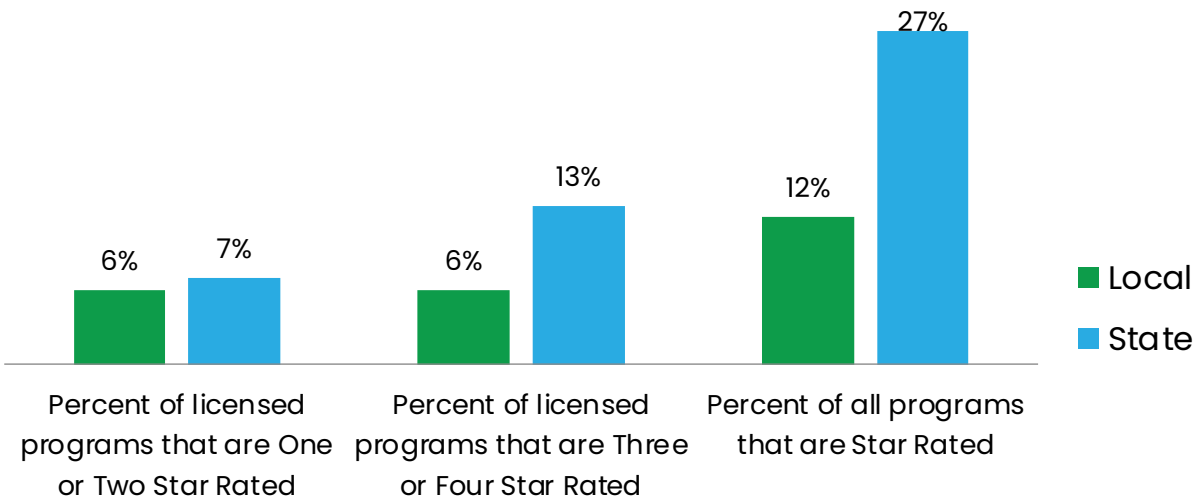
June 2023



QUALITY CHILD CARE OVERVIEW

First Children’s Finance examined state-wide information about the number of child care programs that are participating in the Parent Aware program.

Parent Aware is Minnesota’s Quality Rating and Improvement System that identifies programs that go above and beyond the general licensing requirements to obtain higher quality learning environments in their child care programs.



The chart above demonstrates that child care providers in Houston County fall slightly behind the state average when it comes to Parent Aware enrollment. This is a critical component when we evaluate the quality child care program offerings in the area.



AVERAGE COST OF CHILD CARE

Childcare is a large investment for families with children. A review of the 2021 DHS Childcare Market Rate Survey was conducted as part of the Red Lake County RCCIP process. This study is one tool First Children's Finance uses to analyze care costs in the area.

The following chart shows the average cost of childcare investment on a weekly basis at the 50th percentile for each age group in both a center and family child care setting. This number means 50% of childcare programs charge more than this number and 50% of child care programs charge less.

Area Market Rates – Red Lake County

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
50TH PERCENTILE - INFANT WEEKLY	\$ 175.00	\$ 9,100
50TH PERCENTILE - TODDLER WEEKLY	\$ 160.00	\$ 8,320
50TH PERCENTILE - PRESCHOOL WEEKLY	\$ 148.00	\$ 7,696
50TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 118.85	\$ 6,180.20

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
50TH PERCENTILE - INFANT WEEKLY	\$ 125.00	\$ 6,500
50TH PERCENTILE - TODDLER WEEKLY	\$ 125.00	\$ 6,500
50TH PERCENTILE - PRESCHOOL WEEKLY	\$ 125.00	\$ 6,500
50TH PERCENTILE - SCHOOL AGE WEEKLY	\$ 115.00	\$ 5,980

Results of the 2021 Child Care Market Rate Survey: Minnesota Child Care Provider Business Update

The Child Care Assistance Program (CCAP) is a statewide program that helps families of low-income to afford high quality child care. Families need to financially qualify to access CCAP and the amount of financial assistance received by families will vary depending on their income levels. There are maximum reimbursement rates a county can distribute to qualifying families and as of October 30, 2023, the CCAP reimbursement rates are based on the 75th percentile of the county market rates. The maximum reimbursement rates can vary from county to county. When surveyed, 89% of family providers and 100% of centers accept CCAP reimbursement for families

CCAP – Red Lake County (No quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 180.00	\$ 9,360
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 165.00	\$ 8,580
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 155.00	\$ 8,060
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 130.00	\$ 6,760

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
NO QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 140.00	\$ 7,280
NO QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 135.00	\$ 7,020
NO QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 130.00	\$ 6,760
NO QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 125.00	\$ 6,500

Because high-quality childcare programs cost more to operate there is a CCAP differential for programs volunteering to participate in the Parent Aware Star Rating Program. If a childcare program has a Three-Star Parent Aware rating, the CCAP maximum reimbursement rate increases by a 15% differential. Three-Star Parent Aware rated programs are required to implement curriculum throughout their entire program. If a childcare program has a Four-Star Parent Aware rating the CCAP maximum reimbursement rate increases by a 20% differential. Four-Star Parent Aware programs are also required to implement curriculum and assessment tools throughout their entire program. Below is the 20% differential maximum CCAP reimbursement rate for Red Lake County providers who are Four-Star Parent Aware rated.

CCAP –Red Lake County (20% quality differential)

AGE GROUP - CHILD CARE CENTER	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - CENTER	\$ 216.00	\$ 11,232
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - CENTER	\$ 198.00	\$ 10,296
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - CENTER	\$ 186.00	\$ 9,672
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - CENTER	\$ 156.00	\$ 8,112

AGE GROUP - FAMILY CHILD CARE	WEEKLY RATE	ANNUAL TOTAL
20% QUALITY DIFFERENTIAL - INFANT WEEKLY - FAMILY	\$ 168 .00	\$ 8,736
20% QUALITY DIFFERENTIAL - TODDLER WEEKLY - FAMILY	\$ 162.00	\$ 8,424
20% QUALITY DIFFERENTIAL - PRESCHOOL WEEKLY - FAMILY	\$ 156.00	\$ 8,112
20% QUALITY DIFFERENTIAL - SCHOOL AGE WEEKLY - FAMILY	\$ 150.00	\$ 7,800

While rates of investment for child care are high for families, many child care operations run on very slim profit margins due to the high cost of quality staffing and care. Staffing is a significant expense for many child care center programs, averaging 60–80% of overall expenses.

Many Family Child Care Providers invest significant portions of tuition revenue back into their operations leaving providers with less than minimum wage for compensation, according to research by First Children’s Finance.



OTHER LOCAL SUPPORTING DATA

As part of the overall collection and review of data, First Children’s Finance shared additional data outcomes such as third grade reading proficiency rates and local graduation rates. There are multiple studies indicating a link between the quality of early education opportunities and school readiness. Third grade reading proficiency rates and high school graduation rates are one way to link the two. Lower Achievement levels from birth to age five can be an early indicator of future challenges in school, engagement in higher education, and teen pregnancy rates. The higher the quality of early care and education programs for children birth to age five the higher the achievement later in life. As depicted in the tables below, Red Lake County has reading proficiency levels nearly on par with the state average and graduation rates significantly higher than the state average.

Third Grade Reading Levels

DISTRICT	2021 PROFICIENCY RATE
Red Lake County Central #2906	42.9%
Red Lake Falls #630	62.5%
Statewide	48.8%

Minnesota Department of Education Report Card

Local Graduation Rates

DISTRICT	2021 GRADUATION RATE
Red Lake County Central #2906	96.6%
Red Lake Falls #630	88.9%
Statewide	83.6%

Minnesota Department of Education Report Card



ABILITY TO PAY FOR CHILD CARE

Many families working on the lower end of the wage spectrum have difficulty paying for childcare. The following chart provides an overview of the local household income that can further impact childcare.

Household Income –Red Lake County

TOTAL HOUSEHOLDS ACS 2022 5YR ESTIMATE	%
Less than \$10,000	3.0%
\$10,000 to \$14,999	5.3%
\$15,000 to \$24,999	10.1%
\$25,000 to \$34,999	6.6%
\$35,000 to \$49,999	9.8%
\$50,000 to \$74,999	15.8%
\$75,000 to \$99,999	16.4%
\$100,000 to \$149,999	22.0%
\$150,000 to \$199,999	7.4%
\$200,000 or more	3.6%
TOTAL HOUSEHOLDS	1,638
MEDIAN HOUSEHOLD INCOME	\$73,889

U.S Census American Community Survey 2022

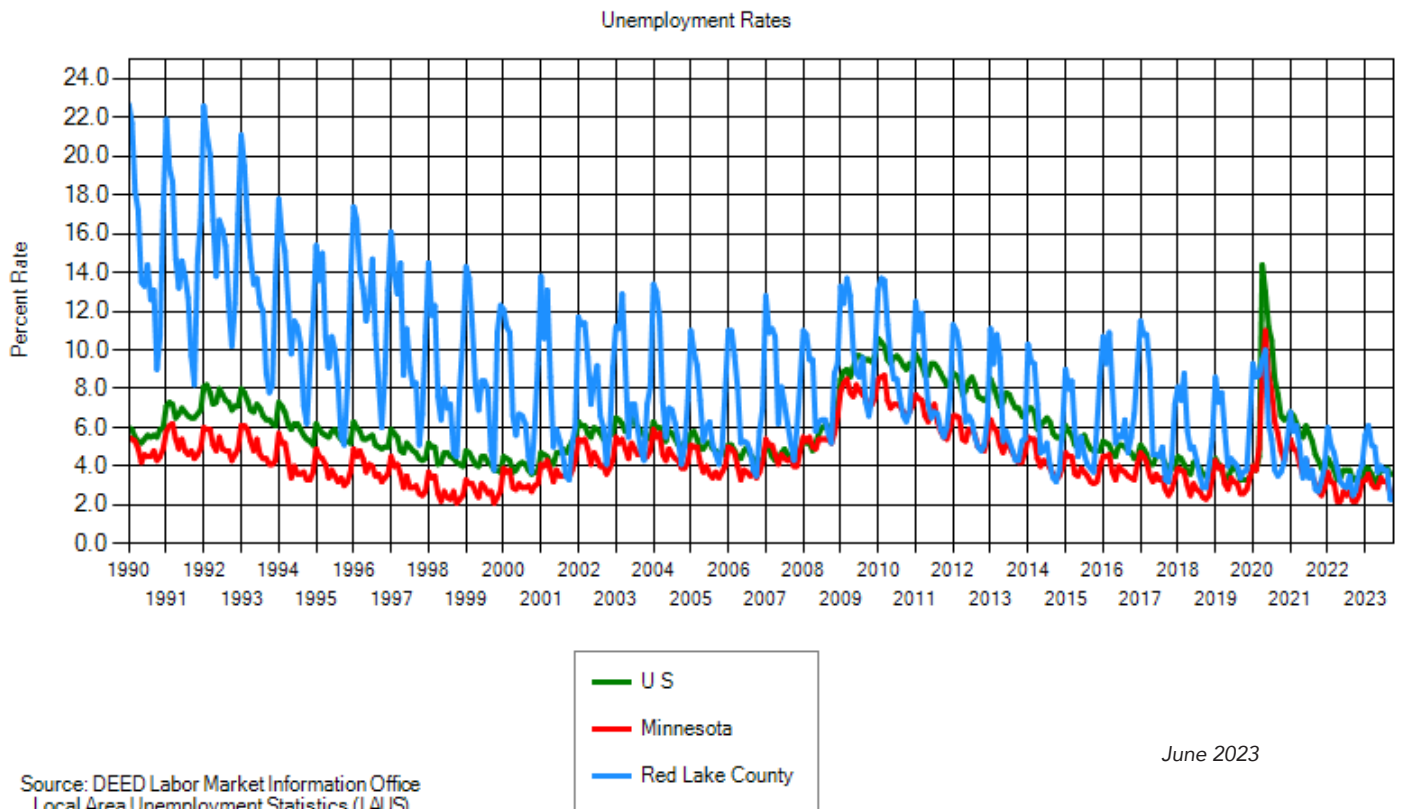


LOCAL EMPLOYMENT CONDITIONS

Employment data was also considered by First Children's Finance in the analysis of the childcare situation in Red Lake County as it can be an indicator that additional child care is needed to support the employment needs of the community since there are more two-parent families employed. Red Lake County has a larger than the state average participation rate for households with all parents in the workforce at 89% while the state average is 76%.

Unemployment Rates – Red Lake County

In June of 2023 when this initial analysis of data for Red Lake County was completed, the unemployment rate was 2.30% which is a relatively low unemployment rate. This can also indicate a larger need for childcare in a community.



Top Local Industries – Red Lake County

Employers in Red Lake County were invited to participate in the child care conversation and complete surveys because they are impacted by absenteeism and decreased employee productivity when child care is a challenge. Furthermore, many employers have been able to provide valuable insight and resources into childcare discussions.

Top 3 Industries: Red Lake County	# Employees	% of Workforce
Industry: Retail Trade	100	10.2%
Industry: Transportation & Warehousing	89	9.1%
Industry: Public Administration	81	8.3%

COMMUNITY INSIGHTS

Extensive outreach was conducted by the Core Team to engage the community about child care. This work included one-on-one stakeholder meetings with various community leaders, electronic surveys of parents, providers, and employers, focus groups, and presentations about child care. Through these various inputs, the Core Team was able to better understand the underlying causes of local child care challenges.

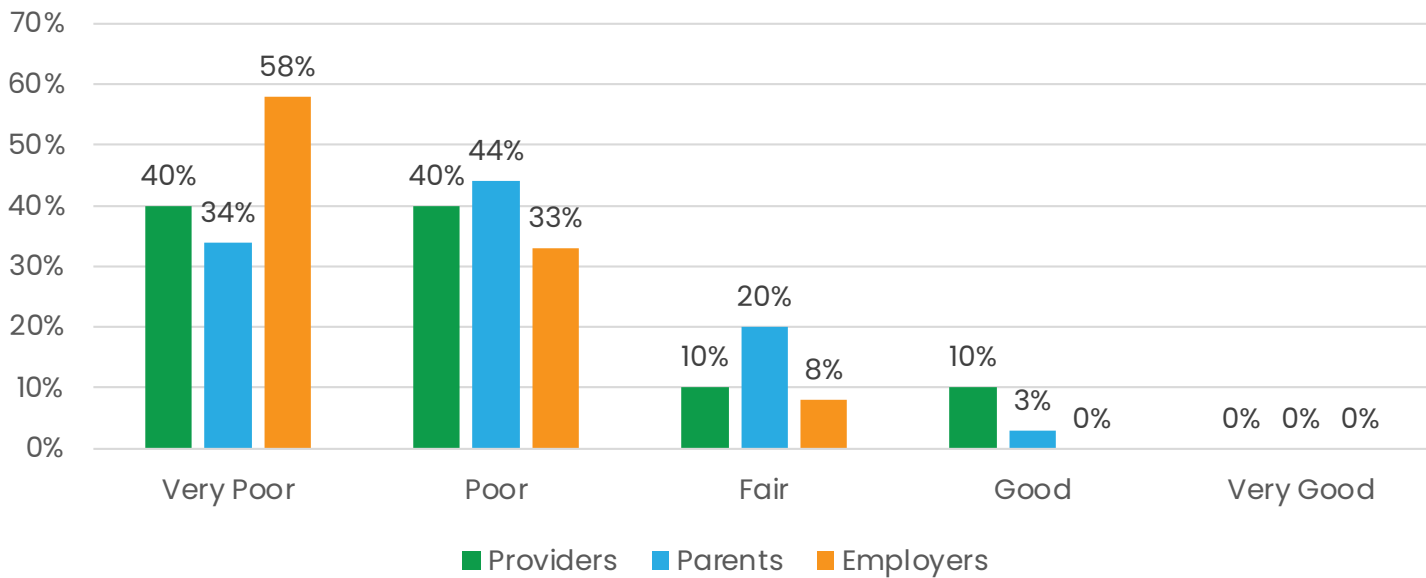


COMMUNITY SURVEYS – SELECTED PERSPECTIVES

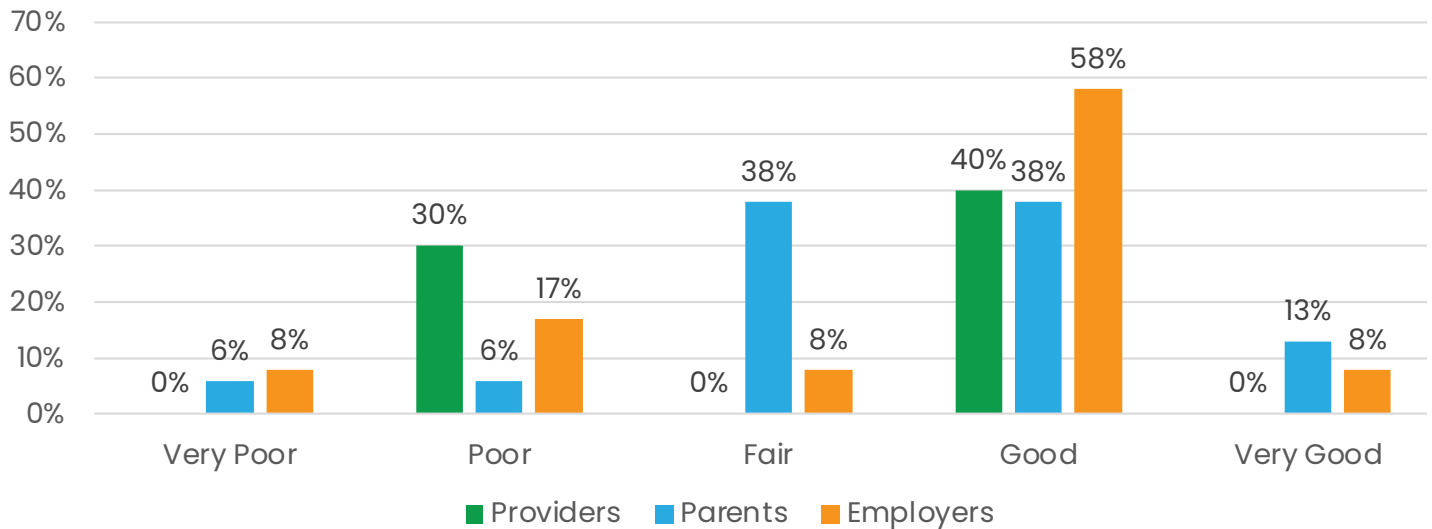
The general community was invited to participate in a comprehensive survey about childcare in the local Red Lake County. Respondents included 143 individuals for the parent/employee survey and 12 employers for the employer survey. A separate survey gathered information specific to child care businesses from 9 family child care providers and 1 child care center.

The following charts represent some highlighted perspectives within the community:

Perceptions: Availability of Child care in the Local Area



Perceptions: Quality of Child Care in the Local Area

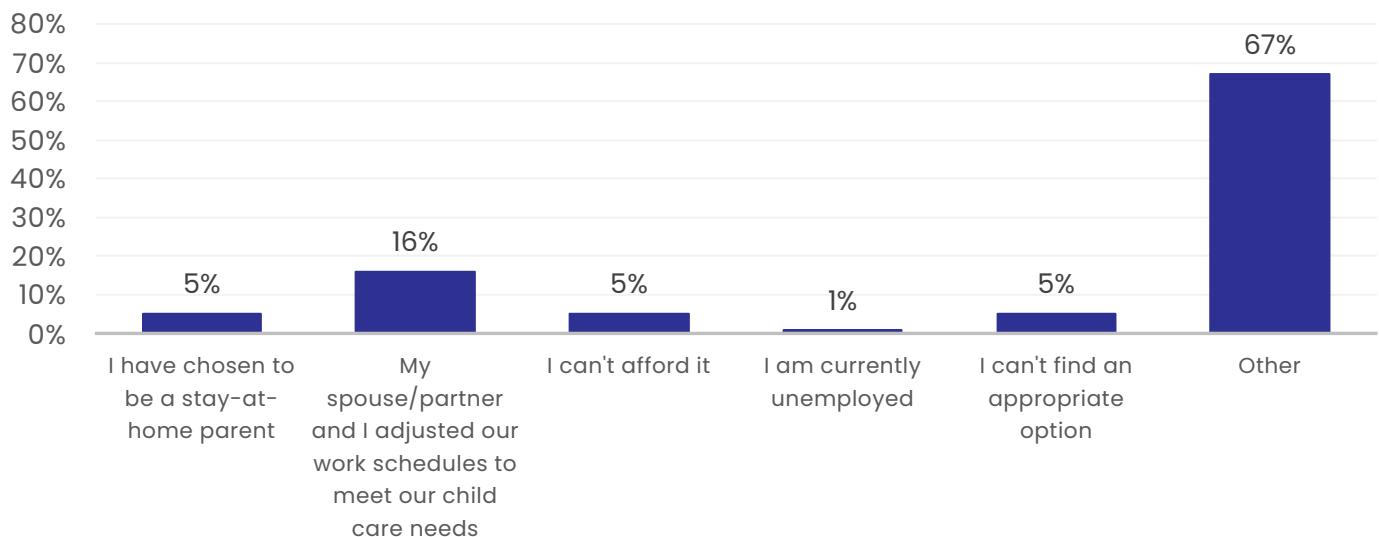


While specific questions about quality were not part of this survey, survey responses show childcare providers and the local community are in general agreement on the availability of high quality child care in the area. When survey participants were asked about what is important for them in a child care program, they ranked their preferences as follows (1 being the most important):

1. A safe and healthy environment
2. Licensed by DHS
3. The provider uses an educational curriculum.
4. The provider is conveniently located.
5. The provider has a high level of education.
6. The provider is a friend, family member, neighbor, or someone I know personally.
7. The provider is Parent Aware rated and/or nationally accredited.

Reasons for Not Enrolling in Preferred Care

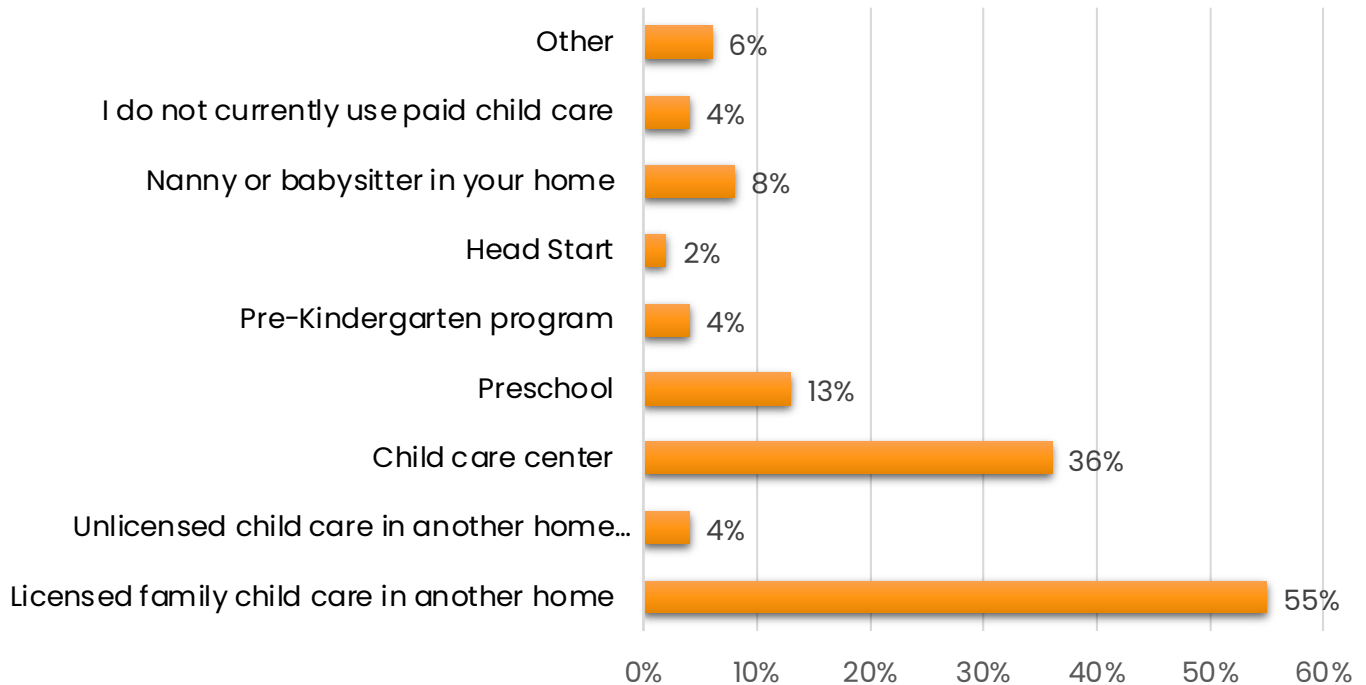
Below is a chart depicting the percentage of parents who responded to the survey stating they no longer require child care. It is worth noting that 47% of the parents who completed the survey did not answer this question. We also see notable responses stating that they chose "other" because they meet 2 or more of the category options.



Types of Care Parents are currently using

The chart below shows the types of child care currently being used by families in the Red Lake County Area.

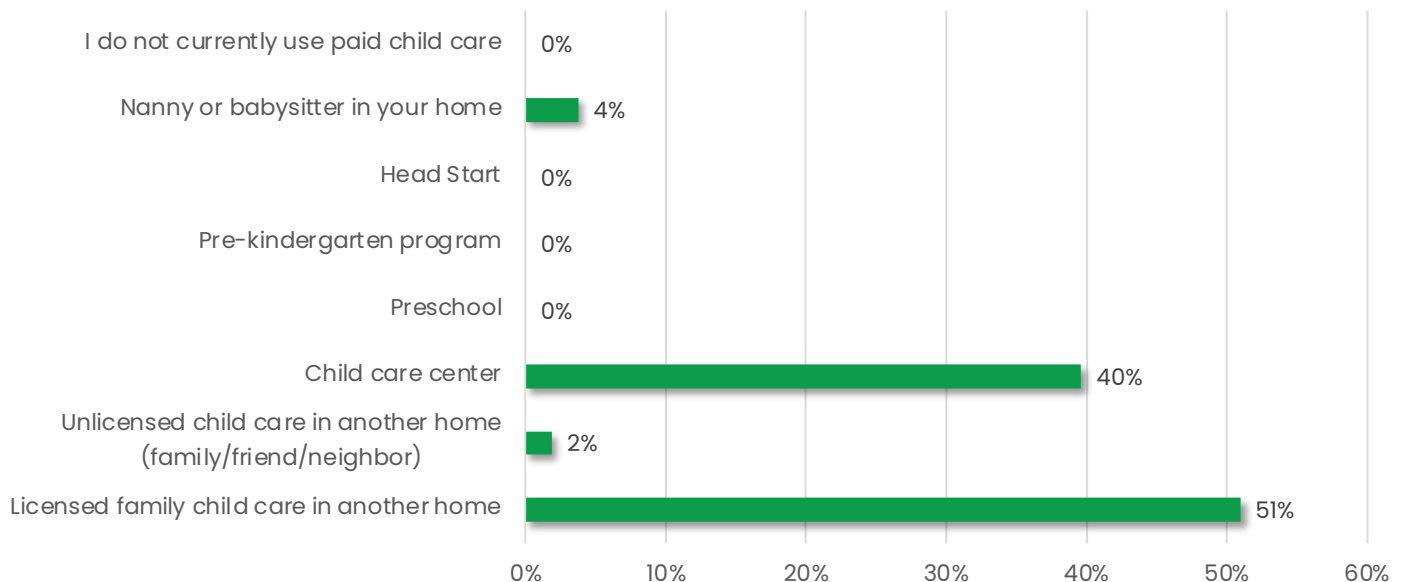
What kind of child care do you use? (select all that apply)



Types of Care Parents Prefer to Use

The types of care parents in the Red Lake County Area prefer are shown on the chart below. When a community can better meet the preferred childcare options of families the community will be more successful in attracting new families and individuals to the community to live and work.

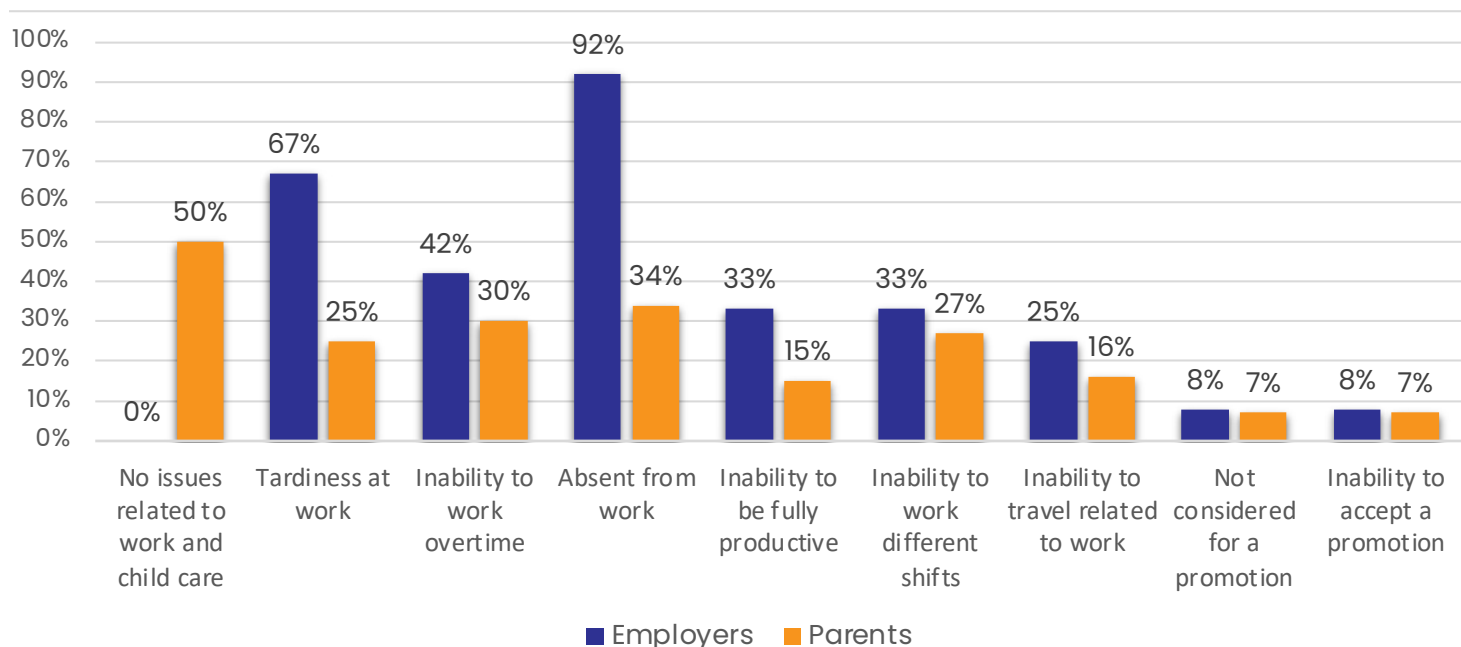
What is your preferred type of child care?



Community and Business Impacts of the Child Care

Beyond families and children, the greater community and local businesses can also be impacted by childcare challenges and issues. Childcare is often framed as an economic development issue by communities facing declining populations or challenges with the work force. These issues can compound and further extend into the business community by causing loss of workers due to unavailable childcare or by businesses relocating to environments with better availability of care. The chart below illustrates the occurrence of various work-related issues from both a parent employee and an employer perspective.

Work Issues Occurred Due to Child Care Arrangements in the Last 12 Months

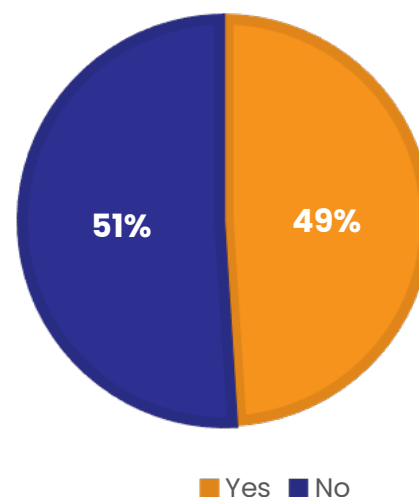


Normal work environments can be adversely impacted when child care is a challenge for employers and workers. As illustrated, the biggest impact of child care limitations include absence from work (when a provider is closed for the day), tardiness at work, and inability to work overtime. 83% of employers responded that the lack of child care impacted their ability to attract employees and 75% stated that it has an impact on their ability to retain employees.

Impact on Family Planning – Red Lake County

When parents were asked if the availability of their preferred childcare option had impacted their decision to have another child and/or if it limited the size of their family, 49% responded it had.

In addition to the impact on family planning, childcare shortages can also impact the local employment environment. In the survey, 34% of parents responding had declined employment or withdrawn from the workforce due to childcare issues.

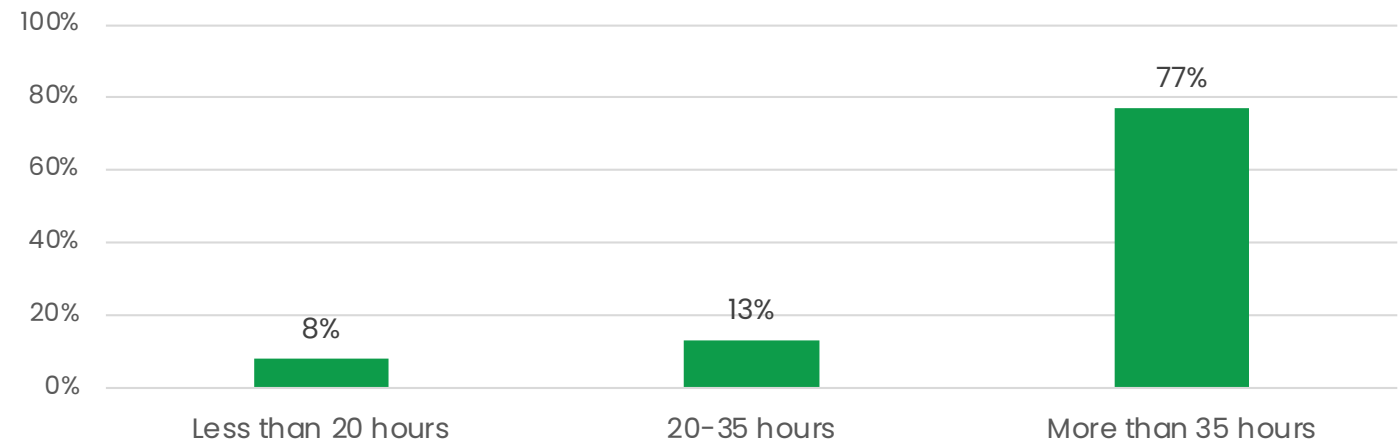




TYPES OF CHILD CARE NEEDED

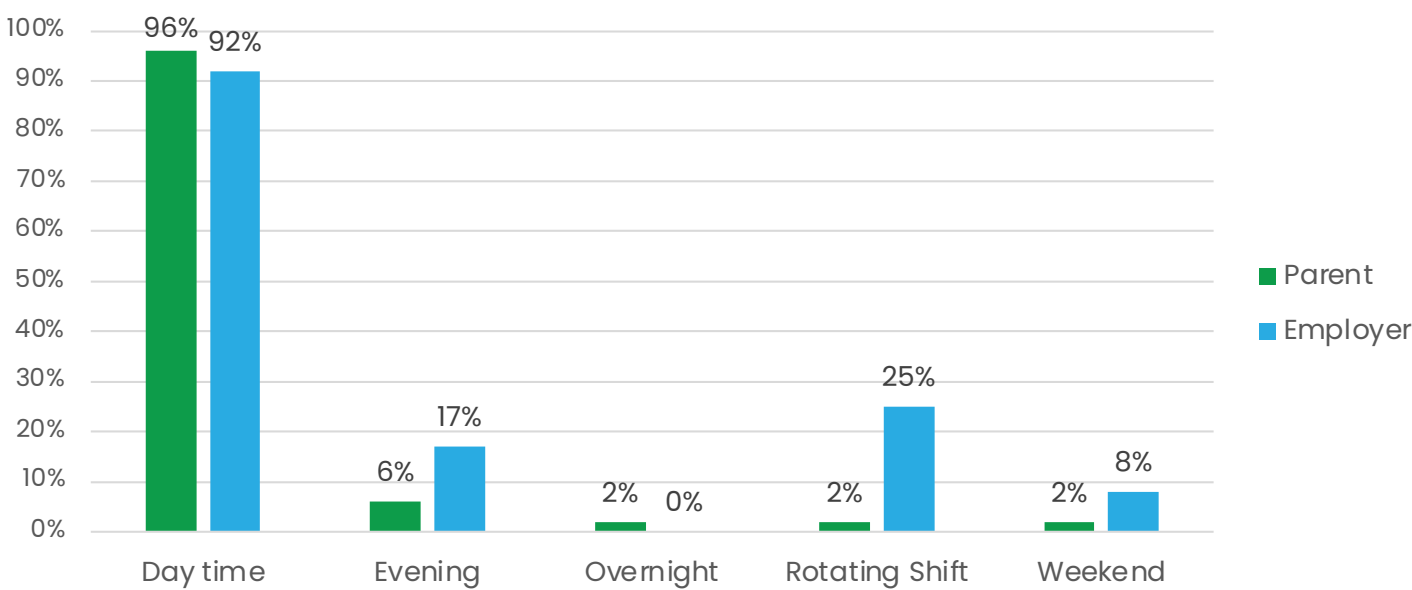
It is important for a community to understand the types of childcare parents need to be able to identify the right-sized solutions for the community. The survey indicated that 77% of parents need more than 35 hours of care and are looking for full-time childcare options.

Hours of care needed per week



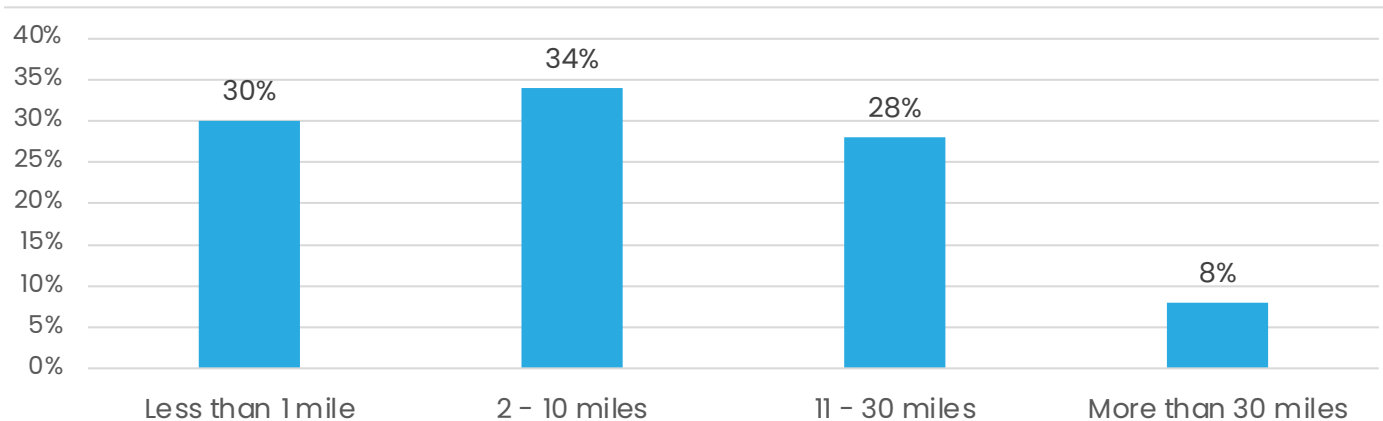
It is also important to determine when parents need care so the community can offer options that meet the need. The chart below shows the hours of care needed from both a parent perspective and an employer perspective.

What hours of care do you need?



As we see in many communities, the survey showed employers believe families need care options in the evenings, for rotating shifts, and weekends at a much higher rate than families want. It's important to be aware of these things as a community creates options for child care. We need to be careful not to build or create options that won't be utilized by families.

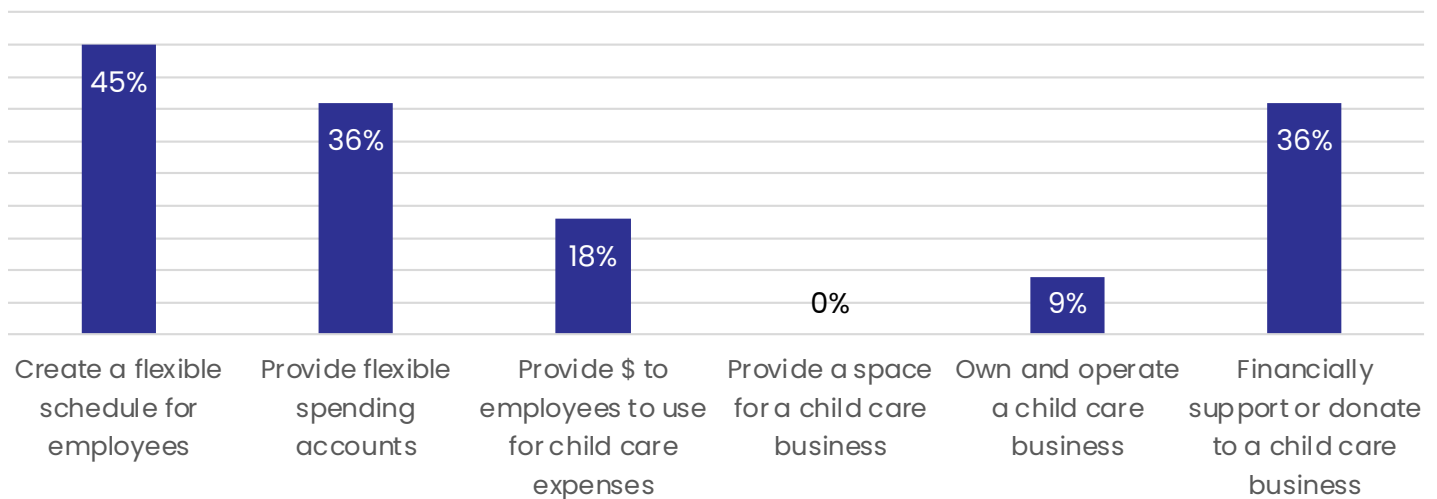
How far do you travel out of your way (one direction) for child care?



Some Red Lake County survey respondents indicated that they were traveling notable distances to find appropriate childcare. Thirty-six percent indicated that they were traveling more than 10 miles out of their way, one direction, for childcare.

Employers can help address the childcare shortage in multiple ways. From the employer survey, the top three ways employers in the Red Lake County Area are willing to help is to create flexible schedules for employees, provide flex spending accounts, and financially support or donate to a childcare business. 18% of employers surveyed are also willing to provide money to employees to pay for childcare expenses. None of the employers surveyed are willing to provide space for a childcare business.

How would you as an employer be willing to assist in addressing the child care shortage?





UNDERSTANDING THE UNDERLYING CHALLENGES

The Core Team in Red Lake County spent several months investigating the underlying reasons for the local child care challenges by conducting one-on-one interviews, engaging with members of the community and surveying community members. Digging deeper into the child care challenge led to discovery about the situations many families, providers and employers are experiencing around child care and the factors contributing to those challenges.

“I believe daycare providers don’t bring home an income that is even remotely close to what they deserve. They deserve to be paid more for the high expectations and high stress involved with caring for others’ children. Yet parents cannot afford to pay more.”

– Local Employer

FACTOR: IT IS CHALLENGING TO BE A CHILD CARE PROVIDER

- Providers are not treated as business owners and educated professionals. Others do not understand the value of the services they offer.
- Centers cannot find and keep good quality workers. They cannot afford to pay them more.
- Low wages, long hours, and no benefits (such as health insurance, retirement, or PTO).
- School based preschool offerings have taken children away from other programs making it more difficult for these programs to maintain a positive cash flow.
- Lack of space to expand or operate outside of the home.
- Child care is a complicated business model that is constantly changing and is different from other small businesses.

“I think being a childcare provider is a really tough job, long hours, sometimes children are not well behaved, etc. They aren’t necessarily able to be paid as they should because average income for parents here can’t afford more. I think being a childcare provider can sometimes be a thankless job as well as physically, mentally, and emotionally challenging.” – Local Parent

The challenges of being a family child care provider or running a child care center are well-documented. Licensing and regulations have changed over the years along with increasing expectations around outcomes for children entering the primary school system. Many family child care providers operate their businesses with minimal community support which can lead to issues with sustainability. Child care providers have a tough job – one that comes with very few benefits or recognition. Local providers and other community organizations have an opportunity to recognize the ongoing contributions and continuous innovation of family child care providers in the child care industry. This could be achieved through recognition programs and other material support such as training.

FACTOR: QUALITY & REGULATIONS: TWO SIDES OF ONE COIN

- Need for better community-wide understanding of the importance of quality care, and the cost associated with it.
- Child care is a highly regulated industry; however, child safety is of utmost importance.
- Ratios for numbers of children in younger age groups reduce the number of infants and toddlers a provider can care for, making it extremely difficult to cash flow infant and toddler spots.
- There are a growing number of requirements and regulations for all providers.
- Potential new providers are frightened of the regulations and experienced providers are frustrated with all the paperwork and rules.
- In some communities, there is a lack of local affordable training opportunities.

“Being a daycare provider isn’t an easy job and the list of requirements/daily requirements just keeps getting harder...making those that are trying daycare want to quit because it’s more work and longer hours than most jobs leaving the home.” – Local Parent

Residents indicated the desire to have more licensed child care choices and quality offerings available to select from. While some of this desire is for new child care offerings, many also want enhanced offerings within existing child care. Leveraging interaction and engagement with existing child care programs and families can provide additional insights to support and understand child care programs within the area. As child care quality increases, the community should expect increased family and community investments in child care.

FACTOR: HIGH COST AND LOW AVAILABILITY OF CHILD CARE

- Many low-to-middle-income families make too much to receive child care assistance but not enough to pay for child care on top of their everyday expenses.
- Employers are beginning to see the need for flexibility in work schedules, when possible, to accommodate the lack of child care.
- Infant care is very hard to find. Parents are trying to line up infant care in early pregnancy or before they become pregnant.
- Child care has small profit margins and is expensive to start.
- Parents want high quality care, but most cannot pay enough to compensate providers for their true value.

“It took me forever to find an infant spot near me. We had to start only 1 day a week until other kids got older. We were lucky. Other people I know have nothing, especially for infant spots. There is a massive shortage with people not working or only working minimal days.” – Local Parent

There is no clear answer to the ongoing challenge of cost of care versus family investment to get quality child care. Additional support in helping families with low-to-moderate incomes become acquainted with existing support systems such as CCAP and Early Learning Scholarships can help bridge the gap.

COMMUNITY-DEVELOPED SOLUTIONS

The Red Lake County RCCIP Core Team conducted brainstorming with the community to come up with a variety of possible solutions to address the child care shortage. Below are the main themes from the brainstorming session. To ensure the community's ideas remain authentic, little to no content edits were made in the solution ideas listed within this section.

THEME: TRAINING

- More accessible trainings (free, on-line, local)
- Training stipends
- Free CPR/First Aide offered on a regular basis
- More support for high needs children
-

THEME: WORKFORCE DEVELOPMENT

- CDA in the high school
- A way to connect people that need childcare with open slots.
- Make it easier to get licensed

THEME: COMMUNITY EDUCATION/PARTNERSHIPS

- Profiles in childcare
- Make community aware of childcare issues.
- Social awareness that children learn best by hands on play based learning.

THEME: FINANCIAL SUPPORT/INCENTIVES

- Offer discounted rates for provider's utilities.
- Health/vision/dental benefits
- Find employer contributors.
- Financial supports to current providers to expand or make needed updates such as fencing
- Tax credits to employers who support employee's daycare needs
- County and city support
- Local sales tax

THEME: RECOGNITION

- Annual childcare appreciation event sponsored by local businesses.
- Daycare appreciation dinners
- Next generation involvement

THEME: FACILITIES

- County funded building or program available to new or existing providers
- Provide community space for providers to provide care out of their home.
- Extended hour/shift work/center
- Small World needs space to expand.



IMPLEMENTATION PROJECTS

The Town Hall meeting is an opportunity to leverage multiple viewpoints and ideas related to addressing the local child care challenge. After the Town Hall meeting, the Core Team met to discuss all ideas and formulated an action plan to move forward. The following SMART goals were developed.

SMART Goal One

On an annual basis provide at least one recognition event to support/celebrate childcare providers.

Expected Outcomes and Impact

Celebrate years of service and Parent Aware, connect new and long-term providers for mentorship to help sustain existing child care and promote new programs.

Project Team Lead – Cayla Blackburn

Additional Team Members –Kate Holmstrom, D’Anne Johnson, Katie Gunderson, Ann Holub, Sylvia Majeres

SMART Goal Two

Within 18 months, create collaborations and structured support to prepare new and/or substitute providers for Early Education and care.

Expected Outcomes and Impact

Support existing providers and increase/grow population of qualified early education and care providers.

Project Team Lead – D’Anne Johnson

Additional Team Members – Katie Gunderson, Cayla Blackburn, Brittany Babcock, Ann Holub, Sylvia Majeres

SMART Goal Three

Within one year create a sustainable Grow Red Lake County (RLC) Childcare group.

Expected Outcomes and Impact

Provide ongoing resources and support for early educators and care providers in Red Lake County.

Project Team Leads – Sylvia Majeres/Kate Holmstrom/Cayla Blackburn

Additional Team Members –Katie Gunderson, D’Anne Johnson, Ann Holub, Andy Fougner, Kent and Patti Bergerson, Gabe Mooney, Matt Eskeli

SMART Goal Four

Within 12 months establish a local financial fund and identify in-kind resources to support childcare.

Expected Outcomes and Impact

Give quick access to resources and funds to alleviate financial burden and access to providers.

Project Team Leads – Kate Holmstrom

Additional Team Members –Cayla Blackburn, Andy Fougner, Ann Holub, Matt Eskeli

SMART Goal Five

Within 18 months, identify additional and adequate facilities to be used for non-residential childcare.

Expected Outcomes and Impact

This goal will increase available space for childcare programs and connect with interested providers that cannot have a program in their home.

Project Team Leads– Kate Holmstrom

Additional Team Members –Andy Fougner, Kent Bergerson, Todd Glass

SMART Goal Six

Provide monthly opportunities within the community to educate and create awareness of the childcare need and the work of this group.

Expected Outcomes and Impact

Education and awareness of childcare needs and the goals of this group.

Project Team Leads – Sylvia Majeres

Additional Team Members –D’Anne Johnson, Chris Bjerklie, Kathie Johannek, Gabe Mooney, Allen Bertilrud, Kent and Patti Bergerson, Debbie DuChamp



First Children's Finance

Founded in 1991, First Children's Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Iowa, Michigan, and Vermont. First Children's Finance works to stabilize, improve, and expand high-quality child care businesses serving low- and moderate-income families. First Children's Finance provides financing, child care business training and consulting, and partnerships that connect child care businesses with the resources and expertise of the public and private sectors.

First Children's Finance understands the issues and challenges child care businesses face in today's world. We have industry-specific expertise and a shared commitment to the success of child care.

In addition, First Children's Finance aligns its work with child care leaders, businesses and regional initiatives that are committed to quality. We define quality as the creation of environments that support healthy brain development for young children to enhance early learning. FCF brings a unique perspective, approach, and experience to providing business, planning and financial assistance to our child care and economic development partners.

For more information about First Children's Finance visit www.firstchildrensfinance.org

For more information about Rural Child Care Innovation Program visit www.ruralchildcare.org